

Message Text

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ACTION AF-08

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-01
INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 AID-05 COME-00 EB-08 FRB-03 TRSE-00 XMB-02
OPIC-03 CIEP-01 LAB-04 SIL-01 OMB-01 IO-13 /107 W
-----221109Z 011194/16

R 220818Z JAN 77
FM AMEMBASSY MAPUTO
TO SECSTATE WASHDC 5428
INFO AMCONSUL CAPETOWN
AMEMBASSY DAR ES SALAAM
AMEMBASSY LISBON
AMEMBASSY LUSAKA
AMEMBASSY PRETORIA

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CAPETOWN FOR EMBASSY

E.O. 11652: N/A
TAGS: PGOV, EFIN, ECON, ECRP, MZ
SUBJ: GPRM 1977 BUDGET ANNOUNCED

REF: (A) CERP 0200; (B) 76 MAPUTO 679

1. GPRM HAS ANNOUNCED ITS 1977 BUDGET, WITH EXPENDITURES OF 10 BILLION ESCUDOS (US\$334.4 MILLION), RECEIPTS OF 6.5 BILLION ESCUDOS (US\$217.6 MILLION), AND A LARGE DEFICIT OF 3.5 BILLION ESCUDOS (US\$116.8 MILLION).

2. COMPARED TO 1976, EXPENDITURES ARE UP 8 PERCENT FROM 9.3 BILLION ESCUDOS (US\$310 MILLION), RECEIPTS ARE DOWN 8 PERCENT FROM 7.1 BILLION ESCUDOS (US\$236 MILLION), AND THE DEFICIT HAS INCREASED 60 PERCENT FROM 2.2 BILLION ESCUDOS (US\$74 MILLION).

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3. ONLY GENERAL BUDGET HEADING DISBURSEMENTS HAVE BEEN PUBLISHED. OF THESE, SIZEABLE INCREASES OVER LAST YEAR ARE SHOWN FOR: MINISTRY OF HEALTH, FROM \$30 MILLION TO \$42.6 MILLION; MINISTRY OF THE INTERIOR, FROM \$23.3 MILLION TO \$31.3 MILLION; SERVICING OF NATIONAL DEBT, FROM \$11.2 MILLION TO \$14.1 MILLION; MINISTRY OF AGRICULTURE, FROM \$15 MILLION

TO \$17.4 MILLION; MINISTRY OF DEVELOPMENT AND ECONOMIC PLANNING, FROM \$0.7 MILLION TO \$2.9 MILLION; MINISTRY OF PUBLIC WORKS AND HOUSING, FROM \$7 MILLION TO \$8.7 MILLION; MINISTRY OF EDUCATION AND CULTURE, FROM \$55 MILLION TO \$56.7 MILLION; AND MINISTRY OF INFORMATION, FROM \$2.3 MILLION TO \$3.5 MILLION.

SMALLER INCREASES WERE NOTED FOR THE MINISTRY OF STATE IN THE PRESIDENCY, MINISTRY OF FOREIGN AFFAIRS, MINISTRY OF JUSTICE, MINISTRY OF INDUSTRY AND COMMERCE, MINISTRY OF LABOR, AND MINISTRY OF TRANSPORT AND COMMUNICATION.

4. DECREASES IN EXPENDITURES COMPARED TO 1976 WERE NOTED FOR: SERVICING OF GENERAL OBLIGATIONS, FROM \$58.3 MILLION TO \$49.3 MILLION; RETIREMENT AND PENSIONS, FROM \$3.7 MILLION TO \$2.7 MILLION; AND PREVIOUS BUDGETARY COMMITMENTS, FROM \$1.2 MILLION TO \$0.8. MILLION.

5. EXPENDITURES WERE MAINTAINED AT THE SAME LEVEL AS 1976 FOR THE MINISTRY OF DEFENSE (\$63.3 MILLION), MINISTRY OF FINANCE (\$6.7 MILLION), FRELIMO (\$2.7 MILLION) AND THE OFFICE OF THE PRESIDENCY (\$2.3 MILLION).

6. COMMENT: ALTHOUGH THE BUDGET ITSELF CONTAINED FEW SURPRISES, THE FACT THAT IS HAS BEEN PUBLISHED AT THE BEGINNING OF THE YEAR RATHER THAN THE MIDDLE (1976) OR THE END (1975) IS PROMISING. LARGE DEFICIT REFLECTS DIRE ECONOMIC SITUATION OF COUNTRY. HOWEVER, GPRM, IN OFFICIAL DECREE ANNOUNCING BUDGET, SAID DEFICIT WAS NECESSARY, SINCE PREVIOUS ESTIMATES OF RECEIPTS HAD BEEN TOO OPTIMISTIC, AND EXPENDITURES CANNOT BE REDUCED. AS WAS TRUE LAST YEAR, "

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AUTONOMOUS SERVICES," SUCH AS PORTS AND RAILWAYS, ARE NOT INCLUDED IN THE GOVERNMENT BUDGET NOR ARE SEVERAL PARASTATALS CREATED DURING THE LAST YEAR. MINISTRY OF INTERIOR, WHICH CONTROLS LARGE POLICE ORGANIZATIONS, RECEIVED OMINOUS INCREASE FOR THE "FIGHTING AND REPRESSING OF REACTION." ONE SURPRISE IN THE BUDGET IS THE LACK OF INCREASE IN THE BUDGET OF THE MINISTRY OF DEFENSE, WHICH MIGHT HAVE BEEN EXPECTED TO SHOW AN INCREASE BECAUSE OF THE RHODESIAN PROBLEM. HOWEVER, FUNDS FOR MINISTRIES OF INTERIOR AND DEFENSE TOGETHER SHOW SPENDING ON SECURITY WILL CLAIM ABOUT 30 PERCENT OF TOTAL EXPENDITURES. INCREASED MONEY FOR MINISTRIES OF AGRICULTURE, DEVELOPMENT AND ECONOMIC PLANNING, AND PUBLIC WORKS AND HOUSING INDICATES THAT GPRM IS IMPLEMENTING MORE DEVELOPMENT PROJECTS. BUDGET REPORT IN MORE DETAIL TO FOLLOW BY AIRGRAM
DE PREE

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Message Attributes

Automatic Decaptoning: X
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Channel Indicators: n/a
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Copy: SINGLE
Sent Date: 22-Jan-1977 12:00:00 am
Decapton Date: 01-Jan-1960 12:00:00 am
Decapton Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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